

1 left their car, they have access to something that
2 could update how they approach the situation and not
3 only provide for public safety but provide for
4 patrolmen safety. Law enforcement safety now is
5 enhanced through wireless service. That's another
6 example of how we need basic data connectivity to
7 show what could be done.

8 So every area requires extensive use for
9 data, for imaging, and not just for voice, which is
10 the basic definition given in the FCC order.

11 That would be the premise of my first
12 comment, Mr. Chairman, that we have to recognize
13 that the definition of basic services is absolute,
14 just as technology seems to turn over rather
15 quickly. 18 months, perhaps, is its useful life
16 before the next generation comes along. It's been
17 more than 18 months since that definition, and I
18 suggest that it's time that that definition be
19 changed.

20 Our approach in Wyoming to the delivery of
21 services is not that government should own it but
22 government should enable it. The Wyoming Equality
23 Network is a nonregulated connectivity of all of our
24 schools. Wyoming is the first state to connect
25 through an intranet type of service all of its

1 public schools and community colleges and high --
2 and higher education services. It provides not only
3 distance education, but it provides a choice of
4 education for providers of teaching and providers of
5 other services. That has been designated a backbone
6 of service, not a backbone of hardware, because we
7 believe in purchasing services, not stuff, as we
8 design advanced and basic communications services in
9 the state.

10 On-line government. Our libraries, health
11 care, business, all need demand led competition to
12 enhance that. We still are strong believers in
13 enhanced services through competition.

14 We have encouraged the establishment of
15 installation of connective capability through asking
16 for access to service when a fiber company wants to
17 cross state trust lands. Only 14 miles of state
18 trust lands are in the way of the 400 and something
19 miles across southern Wyoming. But in return for
20 access across our state trust lands, we have asked
21 for and received dark fiber or access ports or
22 points of presence as a way of leveraging our
23 capability for that -- that right-of-way. Our state
24 department of transportation is now taking that same
25 approach in connecting north-south capability.

1 So, yes, we believe in demand led
2 competition, market based and market driven actions
3 that are enabled through our federal as well as
4 state activities.

5 With -- on the bright side, what's working,
6 competition is bringing new services in Wyoming, but
7 it's localized. It's concentrated. And if I were
8 to draw an observation about the Universal Service
9 Fund, particularly allocated at the federal level,
10 when it was first allocated after 1996, it seemed to
11 be much more appropriately allocated toward those
12 areas that needed that type of assistance to enable
13 what could go on. So the first dollars allocated
14 were appropriately allocated to what we truly
15 believe is rural service and should be for people
16 who might otherwise be left out. Today, the
17 substantial increase from 2 billion to 6 billion
18 dollars -- 4 billion dollars has gone mostly to high
19 population centers or high population states, not to
20 the west where it's most needed.

21 So as we address the digital divide in our
22 western states, the digital divide is being
23 intentionally or even unintentionally created by the
24 federal policy that is designated to eliminate the
25 digital divide.

1 So that would be another area for suggestion
2 on what ought to work. And that is the allocation
3 of the Universal Service Fund.

4 The Western Governors' Association passed
5 resolution 99-35 in December of '99, recognizing
6 that the FCC original approach for the high cost
7 areas could be substantially held through the high
8 cost fund. But with a new model adopted by the FCC,
9 it does anything but that. So in that regard, the
10 FCC model is a major contributor to the digital
11 divide and ought to be revised.

12 Local residential service, even with Wyoming
13 USF funds, is much higher than the national average.
14 And I speak from my own experience here. The
15 Geringer farm up in Wheatland is about a half a mile
16 from the city limits. Our basic non -- non add-on
17 service -- it's just the basic dial tone and phone
18 and access to directory service -- is \$50 a month
19 after USF. And it's considered to be remote on the
20 bill, because it's a half mile from city limits.
21 I'm not sure what isolated is if that's what remote
22 is. That's -- that's perhaps a small proportion of
23 what some of our rural people are paying, \$65, \$95
24 after USF in Wyoming. Yet the FCC and our -- I
25 think our national policy is that local residential

1 service, even in the rural areas, should be about
2 the national average of about \$30. So we have a
3 long way to go in how the western dollars are
4 allocated. And our Western Governors' Association
5 resolution does call for a re-evaluation in
6 establishing a fully funded national Universal
7 Service Fund that's accessible appropriately as
8 defined in the act, providing service to high cost
9 areas supported on an equitable and
10 nondiscriminatory basis through contributions. And
11 that ought to be reviewed, as well, in your
12 follow-up to these hearings.

13 So deployment to schools and residences in
14 Wyoming have driven much of the stimulus for
15 business, even with the additional services that are
16 being provided, such as AT&T's At Home, which we
17 helped roll out in Casper a couple of days ago. The
18 caution that we were given at that rollout by the
19 AT&T folks is we will watch how much you use your
20 residential service. And if you start using it for
21 business, we're going to let you know that you're
22 using it too much. That's contradictory in how we
23 would approach it in Wyoming. So as an example of
24 where competition is being enabled through cable
25 modem to compete with the fiber and copper that are

1 out there, even there, we're seeing policies that
2 are being implemented by the suppliers that are
3 contradictory to our goal of enhanced government and
4 business services.

5 Mr. Chairman, I'll quit. I've gone on
6 longer than I should have.

7 And I appreciate your hospitality, Chairman
8 Furtney, and the willingness of people of Wyoming
9 and the Rocky Mountain west to participate in a very
10 important thing for all of us.

11 Thank you.

12 COMMISSIONER FURTNEY: Thank you,
13 Governor.

14 (Applause.)

15 COMMISSIONER FURTNEY: At this time,
16 we've had a request by some of our Wyoming
17 congressional people to have some statements read
18 though they were not able to attend the hearing this
19 morning. So I believe Katie Legerski, from Wyoming
20 Representative Barbara Cubin's office, would like to
21 read a statement on behalf of Representative Cubin
22 at this time.

23 And, Katie, I think you can just use that
24 middle mike. That will probably work the best.

25 MS. LEGERSKI: Thank you. Thank you.

1 I appreciate the opportunity to read a very brief
2 statement on behalf of Representative Cubin, who,
3 unfortunately, couldn't escape Washington, D.C. this
4 weekend.

5 Thank you for the opportunity to attend the
6 Mountain West Regional Field Hearing on Advanced
7 Telecommunications. Unfortunately, the House's
8 legislative schedule would not allow me to be there
9 in person.

10 The issue of deploying advanced services is
11 very near and dear to my heart. Since I became a
12 member of the House commerce subcommittee on
13 telecommunications, trade, and consumer protection,
14 my main goal has been twofold; to ensure that a
15 strict interpretation of Section 706 of the
16 Telecommunications Act of 1996 is followed, and to
17 do what is reasonably possible to deregulate the
18 telecommunications industry where appropriate.

19 The strict reading of Section 706 says that
20 the deployment of advanced services come on a
21 reasonable and timely basis and that those services
22 reach all Americans, not just those Americans living
23 in urban centers or in areas where it is
24 economically feasible. I go to particular pains to
25 point that out to my colleagues on the

1 telecommunications subcommittee.

2 On the issue of deregulation, it is
3 important that the Federal Communications Commission
4 not hinder the deployment of advanced services by
5 upholding arcane and antiquated regulations on
6 telecommunication companies.

7 I have introduced legislation that would be
8 the topic of a hearing before the telecommunications
9 subcommittee that would end existing regulations
10 that impose disproportionate burdens on small and
11 mid-size telecommunication companies. The
12 legislation will free companies to deploy additional
13 facilities and increase their responsiveness to
14 consumer needs. Simply put, the bill I have
15 introduced will accelerate deployment of advanced
16 services and competitive initiatives to serve
17 consumers, particularly those consumers who live in
18 less densely populated areas of the nation.

19 Again, thank you for inviting me to be with
20 you today. I look forward to working with each of
21 you to ensure that Wyoming residents have the access
22 to advanced telecommunications.

23 Sincerely, Representative Cubin.

24 Thanks, Steve.

25 COMMISSIONER FURTNEY: Thank you,

1 Katie. And we thank Representative Cubin for taking
2 the time to make a statement at our hearing.

3 Wyoming Senator Mike Enzi also had a
4 statement -- prepared statement that he would like
5 to have read at this morning's hearing. And I
6 believe Debbie McCann is going to read Senator
7 Enzi's statement.

8 MS. McCANN: Good morning. And thank
9 you, Steve, for inviting us to provide the following
10 statement from Senator Enzi.

11 I appreciate the opportunity to share with
12 you the importance of advanced telecommunications
13 services to the state of Wyoming and help answer the
14 question, are advanced services being rolled out in
15 rural America?

16 I want to thank the Wyoming Public Service
17 Commission and Federal Communications Commissioner
18 Harold Furchtgott-Roth for hosting this hearing.
19 And I look forward to working with both the Wyoming
20 PSC and the FCC on this important issue.

21 The twentieth century has seen the economy
22 of the United States and the world change from an
23 industrial economy to an information economy. We
24 are only at the beginning of the information
25 revolution, and now is the best time for private

1 industry and government to take a proactive role in
2 helping to create the business and regulatory
3 conditions necessary to encourage the widespread
4 deployment of advanced telecommunications services.

5 One of the reasons why advanced services
6 have been slowly deployed is that Wyoming's wide
7 open spaces make the telecommunications needs of our
8 residents very different than those of people in
9 urban areas. The economic model of the entire
10 industry is to serve areas with a high population
11 density in order to keep costs low. In the west,
12 it's harder to make that model work, but the
13 independent telephone companies and US West are
14 working hard to offer their customers a full
15 complement of telecommunications services at a
16 reasonable price, many services that urban telephone
17 customers take for granted.

18 High speed Internet access has been delayed
19 for two reasons; cost and availability. Advanced
20 telecommunications services can help to build
21 Wyoming's economy. Companies are beginning to
22 realize that our state has a ready work force, and
23 the lower costs of doing business are making
24 companies choose Wyoming.

25 Many existing businesses are taking

1 advantage of the Internet to bring their products
2 and services to the world. Where once a store was
3 limited to only being able to serve those within
4 driving distance, now we can bring Wyoming to the
5 world. This cannot take place without the continued
6 rollout of broadband business services.

7 Wyoming has for many years been promoting
8 the benefits of telecommuting. People living around
9 the state have been able to connect to their offices
10 via computer and remain in contact with clients.
11 Telecommuting now requires high speed access. And
12 that is available in some areas, but in other areas,
13 the only data access is via a regular dial-up modem.

14 There are companies that are deploying
15 digital subscriber lines and cable modems, but those
16 locations are limited, and the price is too high to
17 be adopted by a majority of Wyoming residents. Over
18 time, that price will come down. But this is not a
19 call for public subsidies or government mandates but
20 a call for more competition and deregulation.
21 Competition will bring lower prices and greater
22 deployment of services to even the smallest of
23 towns.

24 Finally, I encourage Commissioner
25 Furchtgott-Roth to take back to Chairman Kennard and

1 the other commissioners the message that rural
2 America has come to count on the Universal Service
3 Fund to help the most rural customers have access to
4 basic -- basic voice service. I urge the FCC to not
5 turn the fund into a pool of money for other
6 programs where rural America will be left behind. I
7 am confident that with diligence and hard work, we
8 can all work together to ensure that Wyoming and the
9 west are not left behind in the new digital gold
10 rush.

11 Thank you.

12 COMMISSIONER FURTNEY: Thank you,
13 Debbie. And our thanks to Senator Mike Enzi, as
14 well.

15 When we sat down, I wasn't sure there was
16 anybody here from Senator Craig Thomas' office.

17 Mary, does Senator Thomas have a statement
18 he'd like read, as well?

19 MS. PAXSON: Yes, we do.

20 COMMISSIONER FURTNEY: Thank you.

21 Mary Paxson will read Senator Craig Thomas'
22 statement.

23 MS. PAXSON: Good morning,
24 Commissioner, commissioners, legislators, panelists,
25 Governor. It's good to be here.

1 A letter from Craig.

2 I was pleased when the FCC announced earlier
3 this year that it would be hosting its final 706
4 field hearing in Cheyenne to address the issue of
5 Internet and advanced telecommunication deployment.
6 I hope today's field hearing will provide a good
7 forum for our telecommunication companies, Wyoming
8 Public Service Commission, and FCC Commissioner
9 Harold Furchtgott-Roth to discuss the challenges and
10 opportunity for providing high-tech services in the
11 rural west. I appreciate the chance to express my
12 thoughts about the issues of the Internet and
13 advanced telecommunications deployment.

14 As our state works to improve its economy,
15 people are eager for information they can use to
16 enhance education, businesses, and health care
17 access. I have received many comments from rural
18 individuals who are especially interested in this
19 type of information. Obviously, that kind of growth
20 offers vital benefits for sparsely populated
21 communities, and Wyoming people deserve equal access
22 to that technology.

23 As you know, there are several legislative
24 proposals before Congress to deregulate the Internet
25 and allow companies to provide high speed data

1 services across designated boundaries. However, I
2 have some concerns about several of these bills.
3 And I am anxious to work with the bill sponsors to
4 see that your ideas and concerns are addressed.

5 What I do not want is to regulate access to
6 information. Instead, we should encourage
7 investment and allow competition to shape and
8 provide technological opportunities which address
9 our state's specific rural needs. That's why I have
10 co-sponsored S.2698, the Broadband Internet Access
11 Act of 2000. This bill is designed to encourage the
12 deployment of high speed Internet into the rural and
13 underserved areas of the country.

14 Essentially, the bill would provide two
15 levels of tax credits to companies who offer a
16 specified level of high speed Internet services to
17 customers. The first level would be a 10 percent
18 tax credit for companies who offer Internet access
19 to customers at 1.5 megabits per second or current
20 DSL speed capabilities. The second level -- excuse
21 me -- would be a 20 percent tax credit for companies
22 who offer 22 MVPs or next generation Internet speed
23 to customers.

24 The credits can be used by any carrier or
25 company which deploys the required capability

1 regardless of whether they are a telephone or cable
2 company, wireless or satellite carrier. The credits
3 also apply to the costs for qualified equipment and
4 the labor for installation. To ensure that the
5 carrier actually provides the service to the
6 customers, the carrier will not be able to access
7 the credits until it achieves the 10 percent market
8 penetration.

9 I believe this bill identifies an excellent
10 opportunity to provide high speed Internet services
11 to Wyoming customers by those companies truly
12 interested in investing in our state's future.

13 Thanks again for this opportunity to convey
14 my thoughts on this extremely important issue. I
15 look forward to working with you all to identify
16 additional incentives to encourage the deployment of
17 high speed services in Wyoming and spurring economic
18 growth and opportunities in our state.

19 And for those of you who are interested in
20 that piece of legislation, again, it's S.2698. If
21 you go to Craig's home page at -- and the address
22 for that is Craig at Thomas, dot, senate, dot, gov.
23 And then if you'll go to links and then to congress,
24 you can access the Library of Congress Thomas
25 service, which lets you look at legislation. So you

1 feel free to do that.

2 Thank you.

3 COMMISSIONER FURTNEY: Thank you, Mary.

4 And thanks to Senator Thomas, as well.

5 At this time, I think Montana Senator Conrad
6 Burns may like to make a statement from Montana.

7 Is he available at this time?

8 UNIDENTIFIED SPEAKER: The latest word
9 we have from Montana is that Senator Burns will be
10 showing up about 11:00 or 11:30. He is not here
11 yet.

12 COMMISSIONER FURTNEY: Thank you.

13 At this time, then, I'd like to introduce
14 two more of the people at the front table that are
15 going to be involved in asking the questions of our
16 panelists.

17 State Senator Cale Case, who has served six
18 years in the House, is currently in his first term
19 in the Wyoming Senate. Senator Case was one of the
20 legislative leaders that drafted much of the 1995
21 Wyoming Telecommunications Act.

22 Senator Case, welcome.

23 (Applause.)

24 SENATOR CASE: Thanks, Governor. We
25 don't have any advanced technology down here, and we

1 sure appreciate your help with that.

2 GOVERNOR GERINGER: We'll provide that.

3 SENATOR CASE: Is this microphone on?

4 Thank you.

5 Steve, I want to thank you for all your
6 legwork on this and thank the governor and all the
7 commissioners for coming.

8 And, Governor, you were already here kind
9 of, but I'm glad you're here, right here, to talk
10 about this important issue. We do appreciate the
11 interest and the ability to give you some feedback
12 maybe.

13 Steve, just -- I'll try to be real brief. I
14 know that the governor took all my time.

15 I would like to point out, though, that
16 Wyoming's level of technology or technology
17 deployment is extremely high. I challenge anyone to
18 find anyone else on the planet that has the
19 characteristics of Wyoming's density and geography
20 and compare what services they have and level of
21 telecom deployment. I mean, the first thing we
22 talked about several years ago is we were the first
23 large area of our type to be 100 percent digital.
24 We've also had just really a large number of really
25 special things that are going on which I think are

1 brought about largely by the competitive market.

2 We've got some of these entrepreneurs right
3 here in this room. I think Randy Lowe is going to
4 talk a little bit about what he's doing up at
5 Tri-County. We've got Steve Mossbrook over there,
6 who's doing some really neat things in very rural
7 Wyoming, and Internet access and maybe taking on
8 this guy next to me a little bit. We've got Ron
9 McCue out there with Silver Star telephone. They've
10 basically kicked a little bit of rear end out there,
11 again, a lot at your -- at US West's expense, but
12 I'm pretty proud of what's happening. In very
13 rural, small communities, extremely good things are
14 happening.

15 I think we also -- we've already pointed out
16 the level of government deployment of technology is
17 very high in terms of our schools. So I think
18 that's the first point we've got to get out here is
19 that we do have an extremely high level of
20 deployment of technology. Some very good things are
21 happening. It's largely not because of the
22 socialized approach to deployment of technology,
23 because we let the market work.

24 The second thing that's clear is that people
25 do want advanced technology. And sometimes, once in

1 a while, occasionally, they even want to pay for it
2 to get it. You know, in a previous life, I was the
3 telecom policy director of the Illinois Commerce
4 Commission. And that was quite a few years ago.
5 But the whole debate was whether they wanted to
6 update their switches to stored program control, not
7 even digital, but -- and maybe get some features
8 that came with stored program control. People were
9 very against that, and they really did want their
10 plain old telephone service. Now it's kind of neat
11 to see people demanding advanced services. And, you
12 know, it's like we can't even begin to address
13 the -- the demands that people have.

14 It's especially evident in terms of business
15 relocation decisions and the competition among
16 communities in economic development. You know, if
17 you ask any business whether they're using fiber
18 optics right now, they'll say, No, we don't -- you
19 know, 99 percent of them are going to say they're
20 not. But if you ask them if they plan to use it in
21 the next five years, 100 percent of them are going
22 to say that they absolutely do, that if they were
23 going to relocate anywhere, they would have it be
24 required that fiber optics access be available.

25 In all of this, I think the key to

1 deployment of advanced technology is pricing. And
2 the marketplace does work. This is an -- this is an
3 extreme amount of tension with Section 706 of the
4 Federal Telecommunications Act, which talks about
5 prices being reasonable. But in Wyoming, we have
6 high prices. And Teense is going to tell us about
7 those high prices. In fact, he sent me a whole box
8 of customer complaints about those high prices. I'm
9 talking about a big box. But those high prices
10 are -- have come about because we've required, you
11 know, rates to be based upon long-run marginal
12 costs, which includes the cost of deploying
13 technology, advanced technology. This has caused
14 some problems, but it's a problem with a purpose.
15 And I think that's one of the reasons we've had some
16 success that we've had.

17 It's -- I think the most distasteful part of
18 this whole high prices in Wyoming, though, is that
19 even with these high prices, upwards of 25 percent
20 of your telephone bill has to do with taxes and
21 subsidies. And, you know, that is one of the things
22 that people are most frustrated about, are all the
23 add-ons on their telephone bill which they don't
24 feel they're really getting anything for.

25 Right now, I think the telecom, capital

1 deployment, advanced technology, all of this is just
2 far too political and far too socialized. It's --
3 I've seen it in the legislature where companies come
4 and compete for subsidies rather than -- I think
5 they ought to be really focusing on competing for
6 customers. But they come to compete for our
7 Universal Service Fund.

8 You know, the FCC's own notice, it's really
9 user friendly and it's got all of these nice words,
10 but if you really put it together, it's sort of a
11 cross between a -- a Soviet era five-year central
12 planning document and maybe a blend of Lyndon
13 Johnson's Great Society program all mixed in. And
14 that -- that definitely makes me nervous.

15 In Wyoming, I already mentioned USF is too
16 political. Our -- our decision to be the anchor
17 tenet on the part of government, to bring advanced
18 services to schools, to lead the nation is not
19 without its political pitfalls. And the fact that
20 we have given that essentially up to a monopoly and
21 that we have -- you know, a nice monopoly. But we
22 have further monopoly provisioning in the process.
23 And that has very serious consequences. It's partly
24 a result of our own procurement rules and things
25 like that, but just far too political and something

1 we ought to be concerned about.

2 The latest merger talks with the approval by
3 the Commission of US West's new parent arrangements.
4 Far too political. My own home county was a pawn in
5 that. You know, we were on US West's fiber
6 deployment schedule, but they had to raise the ante
7 to satisfy the consumer staff of the Commission. So
8 Jackson Hole, Wyoming, the richest county in
9 America, got the -- got the fiber that maybe would
10 have been coming into Lander. It's going to serve
11 more people. It's a bigger deployment. It was a
12 good business decision on the part of US West, but
13 we got bumped as part of the politics of that.

14 Politics are behind boundaries which divide
15 Wyoming. The severest division is causing problems
16 for eastern Wyoming customers and high costs and low
17 levels of service on the part of eastern Wyoming
18 telephone companies.

19 I think innovative local solutions are the
20 key. I've already talked about some of the local
21 innovators that are entrepreneurs that are going to
22 be part of that. US West is doing some exciting
23 things, as well.

24 I note that the last regional field hearing
25 was held at -- in northeast Iowa or -- and spilling

1 over into Nebraska. I notice you visited one of my
2 clients, which is the Northwest Iowa Power Co-op.
3 And they've worked with the city of Hawarden to
4 overbuild the US West -- former US West exchange and
5 provide advanced telecommunications services there.
6 You know, I was happy to be part of that. I think
7 those kind of local initiatives are things that are
8 going to make hay in Wyoming and already are.

9 One other local kind of initiative in the
10 area. After I was upset about not getting fiber to
11 my political area, I went to talk to the local
12 manager of the cable television, an AT&T company.
13 And I said, Are you guys interested in a fiber link
14 between Lander and Riverton? And he said, Boy, we
15 sure are. I said, Well, listen; I know that US West
16 has kind of dropped that off for the time being;
17 would you be willing to work with AT&T -- or I'm
18 sorry -- with US West? And they said, Yes, we
19 would; we'd like to partner on that. I've told Mike
20 about that. I'm looking forward to Mike and --
21 who's, of course, the vice president of US West for
22 Wyoming. And I'm hoping that they will work
23 together and we'll have another kind of local
24 innovative solution, all brought to you, perhaps,
25 without the benefit of some of the federal things

1 that this is -- this hearing is the concern of. But
2 I think that's really where the hope for Wyoming's
3 future is, and it shows how far we've already come.

4 Thank you very much.

5 And Teense is going to talk about the high
6 rates.

7 COMMISSIONER FURTNEY: Thank you,
8 Senator.

9 (Applause.)

10 COMMISSIONER FURTNEY: Wyoming State
11 Representative Teense Willford is also at the table.
12 Representative Willford is chair of the Wyoming
13 House Corporation's elections and political
14 subdivisions committee. And that's the committee in
15 Wyoming legislature that most telecom issues get
16 assigned to.

17 Representative Willford, welcome.

18 REPRESENTATIVE WILLFORD: Thank you.

19 (Applause.)

20 REPRESENTATIVE WILLFORD: Thank you,
21 Commissioner Furtney.

22 As was mentioned, I chair the corporation's
23 committee. And we have attempted legislatively to
24 set what we call affordable rates. We have been not
25 very successful at that.

1 Before the Telecommunications Act of 1995
2 and 1996, the government came to my door and said,
3 We're from the government; we're here to help you.
4 My phone bill base rate was \$14.01. This month, the
5 base is \$40.95. That is before add-ons and things.

6 And, Governor, I moved to town. It saved me
7 4 or 5 dollars a month.

8 And, anyhow, we pay \$5.51 to the federal
9 government. And I have been informed that this
10 federal Universal Service Fund is supposed to help
11 rural -- well, there's rural, there's real rural,
12 and frontier. I'm talking frontier. And it's
13 frustrating when you discover a lot of these funds
14 go to places like Puerto Rico instead of frontier
15 America, where we are. And as technology advances,
16 sometimes we lose track of people. And a lot of
17 people on fixed incomes are caught up in this
18 situation. And we need some help from some of the
19 other states and rural areas to figure out what to
20 do. What is an affordable rate, the definition?
21 What should it be?

22 We made an attempt to -- speaking of
23 competition, two customers per mile does not
24 stimulate much competition.

25 And we've been looking into getting wireless

1 communications in the act. We have not been
2 legislatively successful to do that, but I think
3 it's something that we really need to do.

4 I represent ten small communities, and we
5 have education problems. A lot of them are very
6 isolated. We need this technology and we will have
7 this technology to help educate our students. But
8 the way it is now, I feel that in my area, that the
9 prices actually stifle business rather than
10 stimulate it. And I'm very, very frustrated.

11 Also, adding insult to injury, as our bill
12 escalated beyond a reasonable price, somehow my
13 exchange disappeared from the face of the earth. If
14 you call directory assistance, they never heard of
15 Saratoga, because, for some reason, we got erased.
16 And these things should not and cannot happen to us.
17 We have a group of citizens who are wanting to sue
18 and a bunch of things. Who do you sue, and whose
19 fault is it? It's just something that should never
20 have happened and something that needs corrected.
21 If we are going to advance, we need to take care of
22 the basics first. And my thought on this is as we
23 advance in technology, let's make sure that we do it
24 properly and take the citizens along with us as we
25 advance.

1 And thank you very much.

2 (Applause.)

3 COMMISSIONER FURTNEY: Thank you,
4 Representative Willford.

5 At this time, I'd like to introduce the
6 participants in our first panel entitled "The
7 Importance of Demand Aggregation." And I'm just
8 going to give very brief introductions. I'll give
9 them all at once, and we can get more time to hear
10 their comments and ask more questions and responses
11 to the questions, which, I think, is what we're all
12 most interested in here today.

13 First of all, Mike Ceballos is US West's
14 vice president for Wyoming.

15 Next to Mike is Thelma McCloskey-Armstrong.
16 She's the director for the east -- whoops. I'm
17 sorry. I was looking at my list instead of -- I
18 couldn't see the far end of the table. Let me start
19 over here.

20 Next to Mike is Jerry Bronnenberg, Deputy
21 Director for the Wyoming Department of Health.

22 Next to Governor Geringer is Thelma
23 McCloskey-Armstrong, director for the Eastern
24 Montana Telemedicine Network.

25 Next to Thelma is Ron Schaible, senior vice

1 president of communications for Black Hills
2 Fibercom.

3 And next to me is Victor Dobras, director of
4 regulatory and government affairs for Sprint
5 Communications.

6 And, Mike, why don't you go ahead and start
7 off with your five-minute statement, if you would,
8 please.

9 MR. CEBALLOS: Thanks, Commissioner.

10 And, again, thank you to the FCC and all
11 that have put this together. It's a real
12 opportunity for US West to talk about some of the
13 very positive things that have happened, actually
14 since the passage of the 1995 Telecommunications Act
15 in Wyoming.

16 Since that time, we have moved to an all
17 digital interoffice and central office network. We
18 have been able to see the reduction in things like
19 analog carrier systems, which do create definite
20 advanced data services problems. We've also seen
21 basic things, like the reduction in party line
22 service. And we'll talk more about that.

23 But the biggest point that I'd like to -- to
24 visit on for the bulk of my time is the partnerships
25 that we've been able to forge, both publicly and

1 privately, that we think have helped advance the
2 ball in Wyoming substantially.

3 There is a map that's directly below me that
4 talks about the network that we have put in place.
5 And it was started as a result of work with the
6 Wyoming Equality Network, the education network that
7 connects over 400 schools in this state together at
8 a minimum of a 56K speed and up to a T1. And very
9 soon, we'll be able to allow both video, voice, and
10 data to traverse the same network that's hubbed out
11 of the Department of Education here in Cheyenne.

12 As a result of that, we were able to place
13 ATM, asynchronous transfer mode, switches in five
14 locations. And not only, then, did they serve the
15 basis of providing the backbone for the education
16 network, but they also became the -- available for
17 the communities that they're located in. They
18 include, certainly, Casper and Cheyenne, but also
19 Laramie, Green River, and Riverton. And as a result
20 of that, we are now selling services beyond the
21 education network to others. And ATM certainly is
22 the best example, I think, of high speed deployment.
23 And then look at the size of those communities, if
24 you will, and tell me, across the nation, where do
25 we have that type of deployment in communities that

1 are of the size of 10,000? And I'd have to tell
2 you, it's not there.

3 Certainly, then, with additional work, both
4 with the education network and also with some
5 private partners, we've been able to expand our
6 interoffice fiber, which Senator Case just spoke
7 about. Today we sit at about a 50 percent level of
8 communities served with interoffice fiber. After
9 the completion of this program, which is a direct
10 result of additional work on the education network,
11 and also as a result of commitments associated with
12 the merger of US West and Qwest, we will have
13 over -- or approximately 92 percent of the
14 communities connected by interoffice fiber. That
15 will also include, as Senator Case alluded to, a
16 fiber job that is going to be placed between
17 Kemmerer, Wyoming and Jackson.

18 And yesterday in the hearings, we talked
19 about the need for diversity. And what this will
20 allow is for the state to have a loop now so that,
21 again, when we see the unfortunate occurrence that
22 happened last October where a rancher put a post
23 through our fiber and then placed the post in the
24 hole, thinking he'd done his job, and went on --
25 even 911 service, for instance, was out for